

PUBLIC SESSION AGENDA
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS
MAY 21, 2012
10:00 A.M.
1101 OBERLIN ROAD
RALEIGH, NC

I. Administrative Items

A. Call to Order

In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. Does any Board member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Board today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.

B. Welcome and Introduction of Guests

C. Approval of Agenda

D. Minutes

E. Financial/Budgetary Items

1. Financial Statements for April 2012

2. 2012-2013 Proposed Budget

II. Legislative & Rule-Making Items

III. National Organization Items

A. Report on the AICPA Spring Council Meeting Held May 15-18, 2012, in Washington, DC

IV. State & Local Organization Items

A. Report on the NCACPA Annual Business Meeting Held May 1, 2012, in Greensboro, NC

B. Report on the NCACPA Leadership Summit Board Member Session Held May 2, 2012, in Greensboro, NC

V. Request for Declaratory Ruling

VI. Committee Reports

A. Professional Standards

B. Professional Education and Applications

VII. Public Comments

VIII. Closed Session

IX. Executive Staff and Legal Counsel Report

X. Adjournment

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
April 24, 2012
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Jose R. Rodriguez, CPA, President; Wm. Hunter Cook, CPA, Vice President; Maria M. Lynch, Esq., Secretary-Treasurer; Barton W. Baldwin, CPA; Bucky Glover, CPA; Jordan C. Harris, Jr.; and Michael C. Jordan, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; J. Michael Barham, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Manager-Communications; Ann J. Hinkle, Manager-Professional Standards; Buck Winslow, Manager-Licensing; and Noel L. Allen, Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Debbie Robinson, CPA, NCACPA; Tom Horne, CPA, NCACPA; John M. Kledis, CPA; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; and Curt Lee, Legislative Liaison, NCSA.

CALL TO ORDER: President Rodriguez called the meeting to order at 10:01 a.m.

MINUTES: The minutes of the March 21, 2012, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The March 2012 financial statements were accepted as submitted.

NATIONAL ORGANIZATION ITEMS: Messrs. Cook and Glover moved to nominate Barton W. Baldwin, CPA, for the alternate member position for the Middle Atlantic Region on the NASBA Nominating Committee. Motion passed.

Messrs. Baldwin and Jordan moved to send a letter of support for E. Kent Smoll, CPA, for re-appointment as NASBA Director-at-Large. Motion passed.

STATE AND LOCAL ORGANIZATION ITEMS: Messrs. Cook and Glover moved to accept the report of the AICPA Peer Review Board Oversight Task Force on the administration of the AICPA Peer Review Program by the NCAPCA and the first annual monitoring report of the NASBA Compliance Assurance Committee of the National Peer Review Committee (NPRC) of the AICPA (Appendix I). Motion passed.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Baldwin moved and the Board approved the following recommendations of the Committee:

Case No. C2007469 - Geoffrey R. Chatham - Approve the signed Consent Order (Appendix II).

Case No. C2011165 - Thomas W. McDevitt - Approve the signed Consent Order (Appendix III).

Case No. C2009221 - Alyson M. Miller - Approve the signed Consent Order (Appendix IV).

Case No. C2011069 - Michael G. Lieto - Approve the signed Consent Order (Appendix V).

Case No. C2011073 - Alison F. Monroe - Approve the signed Consent Order (Appendix VI).

Case No. C2011181 - Teresa L. Brenan - Approve the signed Consent Order (Appendix VII).

UT 2012071 - Paul S. Taylor - Accept the signed Notice of Apparent Violation and Demand to Cease and Desist (Appendix VIII).

Case No. 200609-072 - Gerelene M. Walker - Accept the signed Consent Order (Appendix IX).

UT 2012080 - Roselie McDevitt - Accept the signed Notice of Apparent Violation and Demand to Cease and Desist (Appendix X).

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Ms. Lynch moved and the Board approved the following recommendations of the Committee:

Transfer of Grades Applications - The following were approved:

Christopher J. Duke

James Walter Lawrence

Original Certificate Applications - The following were approved:

Lamar Herbert Benton Jr.

Parag Bakul Bhutta

Paul Anthony Blaylock

Hannah Elizabeth Brown

Chevonne Burns

Tieneke Chelsea Geurts Carver

Allison Taube Cashin

Steven Thompson Corneliussen II

Charles Lloyd Davis Jr.

Jessica Susan Dill

Sara Ann Domby

Christopher J. Duke

Stephanie Jo Dunaway

Trisha Lynn Edwards

Brett Neil Goodman

Ashley Michelle Harmon-Poston

Yashekia Michelle Harper

Adam Charles Hill

Brian Aidan Lang

James Walter Lawrence

James Douglas Mackintosh IV

Carroll McKinley Mann

Luke Byron Markey
James Donald Matthis III
Amelia Nicole Moody
Adam Isaac Morris
Mary Diane Morrison
Elizabeth Kathleen Mower
William Gray Murray III
Casey Shepherd Neal
Jason Bradley Newman
Erin Marie Outlaw
David Maurice Proulx Jr.
Amy Jo Rogers

Justin Allen Sigmon
Hannah Blair Simmons
Christopher Graham Spivey
Matthew Gates Thompson
Adam Jeffery Towery
Ross Nicholas Visscher
Christopher Milton Walters
Lauren Susan Watkins
Jennifer Lynn Weiss
David Williamson Wells
Randall Sanford Whitfield
Kathryn Rosser Winward

Reciprocal Certificate Applications - The following were approved:

Ali Riad Ajami
Matthew Douglas Beamish
Karen Gregory Blalock
Geoffrey Jason Bremer
Candace Marie Casey
Leslie Mark Coval
Lisa Ann Davis
David Lane Fred
Anthony Michael Gagliardi
Gary Spencer Giovanini
Richard Douglas Hofrichter
Sharon Jane Howard
Rebecca Lynn Johns
Jody-Ann M. Johnson
Laura Kathleen Johnson
Paul Joseph Kenney
Ryan Mathew Levy
Susan Mary Mann
Michael James McGory
Kevin James McHugh
Paul David Musgrave

Kimberly Lynn Nenni
Adam Rafael Pakledinaz
Yogini Kara Parmar
Kari E. Patton-Motlock
John Frederick Perrott
Sherry Bennett Rae
Alexander Orestes Rodriguez
Francisco Javier Urios Rodriguez
Nicola Silura Ruth
Joseph Charles Schaff
Francis John Schmid
Sheryl Honigbaum Schuff
Lawrence Jay Slakter
Cheryl Ann Smith
Susanna Buechi Turner
Thomas Graham Turner Sr.
Peggy A. Upton
David Gray Walker Jr.
James Leland Washburn
Timothy Ulysses Zygmunt

Temporary Permits - The following temporary permits were approved by the Executive Director and ratified by the Board:

Nicole Silura Ruth T6786
Yogini Kara Parmer T6787
Scott Charles McLean T6788

Peter Christopher Schmutz T6789
Stephen Douglas Carey T6790
Ali Riad Ajami T6791

Brian Joseph Smith T6792
Linda Susan Lee T6796
Jane Elizabeth Scarlett T6798
David Michael Kent T6799

Peggy Anne Thompson T6800
Paul Jay Grosswald T6801
Carolann Elizabeth Berkowitz T6802
Daniel Paul Cafarella T6803

Reinstatements - The following were approved:

Donald Ralph Compton #18471
Adrian Lee Jarrell #20557

Elizabeth Baker Simmons #20653

Reissuance of New Certificate - Applications for reissuance of new certificate submitted by the following were approved.

Judson J. Abraham #17385
William Randall Burrell #10824
Randy Scott Casstevens #18291

Glen Hunter Griffin #21475
Dorinda D. Powell #27642

Reissuance of New Certificate and Consent Agreement - An application for reissuance of new certificate and consent agreement submitted by John Prescott Sabiston (#25603) was approved.

Firm Registrations - The following professional corporations and professional limited liability companies were approved by the Executive Director and ratified by the Board:

Mark H. Goodson, CPA PLLC
Eric M. Harris, CPA, PLLC
Satchel Loftis, CPA, PLLC

Sonia E. Perez, CPA, PC
John A. Pollard CPA PLLC
Michael Tomlinson, CPA, PLLC

Retired Status Applications - The Committee approved the request for retired status submitted by Christopher C. Smalley (#22980) because he is completely retired and does not receive any earned compensation for current personal services in any job whatsoever.

Extension Requests - The Committee approved Ted Allen Boyer (#9857) for extension for completion of CPE until June 30, 2012.

An extension request submitted by Tong Chen (#35761) was disapproved.

Examinations - The Committee reviewed and approved the following staff-approved applicants to sit for the Uniform CPA Examination:

Stephen Adams
Sanjay Agarwal

Jeremiah Akinsola
Rodney Alexander

John Allen
Joseph Allen
Sydney Allen
David Almonte
Laura Alvarez Ortega
Robert Ambrose
Joshua Anderson
Maria Arellano
Brandon Ausley
Bryan Aust
Lori Aveni
Sally Averett
Lindsay Bachner
Deanna Banovsky
Kevin Benton
Jeremy Berger
Charles Bilinski
Gregory Bittner
Brittany Blackwell
Alina Bohn
Jordan Boone
Joshua Boos
Caroline Bowman
Stacey Bragg
Katherine Breeding
Tony Brewer
Coulter Brinkley
Adam Briones
Keith Broderick
Kathryn Broome
James Brown
Laurel Brown
Bradley Browne
Kirsten Bruenning
Kimberly Byrd
Charles Cadwell, II
Christopher Capone
Megan Cappy
Stephanie Cardwell
Benjamin Carlson
Christina Caropreso
Stephanie Carter
Mary Cecchini

Alisia Cedarholm
Ryan Chadwell
Brent Chaplin
Nicholas Ciamaricone
Melissa Clark
Andrew Clementi
Crystal Climer
Kaitlyn Coen
Joy Coleman
Rebecca Coleman
Bryan Collins
Catherine Collins
Andrew Colvin
Joseph Cook
Davion Cooper
Brittany Cowan
Geoffrey Curtis
Reuben Dalton
Benjamin Davey
Jamele Dawson
Annette Deffenbaugh
Daniel DelaCruz
Molly Demarest
Glenda Diaz Gonzalez
Allison Dilloian
Michael Doggett
Tracy Dowdy
Jason Dubrasky
Alicia Dunn
Catherine Eastwood
Allison Emery
Sarah Emmerth
Melanie Erickson
Austin Eubanks
Byron Eways
Christine Farr
Claude Felmet
Brian Ferguson
Kendra Ferguson
Sydney Fiesel
Mary Fischer
Olivia Fong
Jennifer Ford

Sarah Forman
Jeffery Frick
John Futrelle
Ashley Gabriel
Elizabeth Garcia
Osbelia Garcia
John Garrett
Amelia Gayle
Dilum Gencel
Shamber Gentry
Matthew Godfrey
Mary Gotschall
Suzanne Graves
Walter Gray
Megan Green
James Guffey
Michael Gyoerkoe
William Haithcock
Brandon Hall
Jared Hall
Gihan Hanna
Courtney Hanvey
Janice Harbour-Marazza
Terry Harris
Victoria Harris
Sarah Head
Julianne Heal
Cache Heidel
Sarah Henderson
Tamara Henderson
George Hendrix
Chandler Henry
Christopher Henson
Christian Hester
Michael Hickey II
Daniel Higgins
Fred Hitti
Elise Hobbs
Han Wen Hsu
Lauren Huckabee
Olufisayo Ijamakinwa
Thomas Ivey
Akiko Iwamoto

Stefan Izadi
Sarah Jackson
Margaret James
Shivani Jani
Ashley Jenkins
Roberta Jennings
Alicia-Michelle Johnson
Jay Johnson
Tonnette Johnson
Jarrod Jones
Daniel Jordan
Jacob Joyner
Preston Kafka
Keith Kahn
George Kariuki
Alex Kau
Lauren Kaylor
Ellen King
John Kledis
Allison Klein
Jared Korver
Danielle Kubinski
Jonathan Kuker
Gonca Kurt
T Morris Kwekeh
Marie LaMonica
Christy Land
Ying Ying Lang
Katherine Lash
Stephen Lashower
Cilla Laurence
Jeffrey Lawrence
Bao-Tran Le
Mazalenia Lee
Timothy Lee
Andrea Leffingwell
Hanna Legenza
Ben Lehman
Sarah Leonard
Beili Li
Bridgette Lin
Andrew Linville
Michael Loman

Nicole Longa
Zachary Lose
Sarah Loving
Benjamin Lyon
Christopher Maciej
Rachel Maddox
Fahad Majeed
Maria Maldonado
Corey Mallard
Robby Manning
Wanda Manning
Courtney Martin
Stephen Mason
Welsey Matelich
Kevin Maxwell
David McAnally
Jeffery McClendon
Christopher McDonald
James McKinnon
Sarah McMillan
Robert McPherson
Andrew Mense
Michelle Miles
Brandon Miller
Melissa Miller
Michael Miller
Dale Millns
Hona Moore
Bradley Moree
Neal Morgan
Jaymeson Morris
Randolph Morris, Jr
Robert Muirhead
Stefanie Muise
Jean Murphy
Nathaniel Musgrove
Amy Neilson
Mary Newman
Khoa Nguyen
Jihui Ni
Brandon Nishnick
Caroline OConnor
Lucinda Ore

Mary Ouzts
Joshua Overman
Keevan Padia
Erin Park
Letitia Parker
Tara Parks
Komal Patel
Puja Patel
Jamie Pennell
Robert Perry
Steven Peterson
Molly Pfeiffer
Richard Pieringer
Ljubica Pilipovic
Marisa Pinero
Robert Pitino
Marisa Poccia
Benjamin Pokorney
April Presswood
Tracey Pridgen
Jessica Propps
Eileen Purpur
Zhangying Qiu
Elizabeth Rainey
Sabina Redzovic
Kyle Reeves
Gwendolyn Reilly
Jared Reynolds
Kayla Rice
Danielle Richards
Lana Richards
Jennilee Richardson
Judyth Riddick
Andrea Ridgely
Scott Robinson
Emily Rogers
Meridith Rosborough
James Ross
Karen Rubin
Andrea Sansbury
Rachael Savage
Robert Sawyer
Anthony Saxton

Michael Say
Elizabeth Saylor
Joy Schaub
Brittany Schell
Amy Schilling
Deanna Schmidt
Erik Schoenberger
William Scotten
Teryn Shaw
Fang Shen
Catherine Shomo
Cameron Shore
Shelly Shores
Richard Siler
Eva Simpson
Kaeli Sims
Robert Sluik
Andrew Smith
Michelle Smith
Morgan Smith
Dennis St. Martin
Heath Stafford
Kira Staggers
Kyle Stamp
Andrew Stanley
Allison Stevens
Patrick Stultz
Barbara Stutz
Kuei Fen Sun
Tomokazu Takahashi
Allison Taylor
Nicole Teibel
Genessa Tetterton
Dane Thomas

Kristen Thompson
Emily Throndson
Zachary Thurmes
Ryan Todd
Alan Toler
Jamar Turner
Heather Upham
Alexandra Valier
Graham Van Roekel
William Varnedoe, Jr
Gautham Venkatasubramanian
Leigh Vogedes
Ashley Wagner
Ashley Waid
Akilah Waldron
Liping Wang
Jelissa Ward
Taylor Ward
Jason Watkins
Amanda Webb
Devin Weiss
Brittany Whitley
Patrick Wicker
Courtney Wieters
Jennifer Williams
Milton Williams
Laura Wilson
Ryan Wingerd
Stephen Winters
Lloyd Wishon
Christopher Wright
Melissa Young
Jessica Zirnheld

Staff recommended that the committee determine and accept the grades received for the January - February 2012 exams. Twenty-five (25) files with grade reports were haphazardly selected and reviewed by Board members. The Committee determined and accepted the grades.

Letters of Warning - Staff received a CPE audit from Jared D. Lashley (#35286) which lists 2010 CPE taken between January 1 and June 30, 2011, without an approved

extension. Staff recommended a letter of warning for a first offense pursuant to 21 NCAC 08G .0406(b)(1). The Committee approved staff recommendation:

Staff received and recommended approval of the request to rescind the letters of warning awarded to the individuals listed below. The Committee approved staff recommendation:

Ted Allen Boyer #9857
Eric Edward Butts #22006

Cassie Simmons Thompson #30001
Jeffrey Chester Yardley #28928

Firm Renewal and Peer Review Matters - The firms listed below submitted a renewal or termination notice less than 60 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation:

Maurice W. Atkinson II CPA #35682
C. Scott Austin CPA #24305
Vadim Bogomolov CPA #29688
Robin N. Carver CPA # 32367
Douglas J. Clark CPA #13410
Alan Crawley CPA #29046
Mary Lou Daly CPA #19669
Timothy K. Eller CPA #23167
Elizabeth A. Feit, CPA, PLLC
Elizabeth Ailshie Feit # 29276
Jill C. Hobbs CPA #31239
C. D. Holland & Company PA
Claude Douglas Holland # 1334
Keith Jones CPA #26243

Shawna C. Kaylor, CPA, PLLC
Shawna Corinne Kaylor #34522
M.S. Khan CPA #15297
Warren Lowder, CPA, PLLC
Warren Gale Lowder #10065
Francine R. Noel, CPA PLLC
Francine Rochelle Noel # 26269
Margaret F. Stampley CPA #27423
CD Tedder, PLLC Certified Public Accountant
C. Diane Tedder #32986
W. Stewart Thomas, CPA, P.L.L.C.
William Stewart Thomas #21544
James R. Wright CPA #17099

CLOSED SESSION: Messrs. Cook and Glover moved to enter Closed Session to discuss a personnel matter with the Executive Director, Deputy Director, and Legal Counsel. Motion passed.

PUBLIC SESSION: The Board re-entered Public Session to continue with the agenda.

RESOLUTION: President Rodriguez read and presented a Resolution thanking Michael C. Jordan, CPA, for his service to the Board and the citizens of North Carolina. Mr. Cook and Ms. Lynch moved to make the Resolution (Appendix XI) a part of the minutes. Motion passed. President Rodriguez also presented Mr. Jordan with a plaque.

OATH OF OFFICE: John M. Kledis, CPA, was sworn the Oath of Office by President Rodriguez.

ADJOURNMENT: Messrs. Kledis and Harris moved to adjourn the meeting at 11:05 a.m. Motion passed.

Respectfully submitted:

Attested to by:

Robert N. Brooks
Executive Director

Jose R. Rodriguez, CPA
President

CPA[®] Peer Review Program

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

February 6, 2012

Daniel G. Hayes, Peer Review Committee Chair
North Carolina Association of CPAs
PO Box 80188
Raleigh, NC 27623-0188

Dear Mr. Hayes:

On January 19, 2012, the AICPA Peer Review Board Oversight Task Force accepted the report and letter of procedures and observations on the most recent oversight visit for the North Carolina Association of CPAs, the administering entity for the AICPA Peer Review Program, and the administering entity's response thereto. A copy of this acknowledgement, the two oversight visit documents, and your response will be posted to the AICPA Peer Review Program Web site.

The next state oversight visit will be in 2013.

The AICPA Peer Review Board appreciates your cooperation and efforts in making the peer review program a success.

Sincerely,

Randy Watson

Randy Watson, Chair
Oversight Task Force
AICPA Peer Review Board

cc: James T. Ahler, Executive Director
Mary Kelly, Peer Review Coordinator
Lisa Joseph, AICPA Peer Review Program Technical Manager

Oversight Visit Report


October 20, 2011

To the Peer Review Committee
North Carolina Association of
Certified Public Accountants

We have reviewed the North Carolina Association of CPAs' administration of the AICPA Peer Review Program as part of our oversight program. Our procedures were conducted in conformity with the guidance established by the AICPA Peer Review Board (the "Board") as contained in the *AICPA Peer Review Program Oversight Handbook*. The administering entity is responsible for administering the AICPA Peer Review Program in compliance with the AICPA *Standards for Performing and Reporting on Peer Reviews* (the "Standards"), interpretations, and other guidance established by the Board. Our responsibility is to determine whether (1) administering entities are complying with the administrative procedures established by the Board as set forth in the *AICPA Peer Review Administrative Manual*, (2) the reviews are being conducted and reported upon in accordance with the Standards, (3) the results of the reviews are being evaluated on a consistent basis by all administering entity peer review committees, and (4) information disseminated by administering entities is accurate and timely.

Based on the results of the procedures performed, we have concluded that the North Carolina Association of CPAs has complied with the administrative procedures and Standards in all material respects as established by the Board.

As is customary, we have issued a letter of oversight visit procedures and observations that details the oversight procedures performed and sets forth recommendations that were not considered to be of sufficient significance to affect the conclusions expressed in this report.



J. Phillip Coley, Member, Oversight Task Force
AICPA Peer Review Program

October 20, 2011

To the Peer Review Committee
North Carolina Association of
Certified Public Accountants

We have reviewed the North Carolina Association of CPAs' administration of the AICPA Peer Review Program (the "Program") as part of our oversight program and have issued our report thereon dated October 20, 2011. That report should be read in conjunction with the observations in this letter, which were considered in determining our conclusions. The observations described as follows were not considered to be of sufficient significance to affect the conclusions expressed in that report.

The oversight visit was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*. An oversight program is designed to improve the administering entity's administration of the AICPA Peer Review Program through feedback on its policies and procedures, and to provide resource assistance from an AICPA Peer Review Board Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the North Carolina Association of CPAs, an administering entity for the Program, conducted on October 19 and 20, 2011, the following observations are being communicated:

Administrative Procedures

On the morning of October 19, 2011, Lisa Joseph, AICPA Technical Manager, and I met with the Peer Review Coordinator to review the Program's administration. We believe the administrative processes were being handled in a manner consistent with peer review standards.

We reviewed the files which were still open due to follow-up actions and which had not yet been completed. We found that the follow-up actions were being effectively monitored for completion by the administrative staff and the North Carolina Association of CPAs' Peer Review Committee ("Committee").

We also reviewed the policies and procedures for the granting of extensions. We found that the Peer Review Coordinator handles short-term extension requests with discussion from the Committee when the circumstances warrant.

We also reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters. We found no problems in these areas.

The North Carolina Association of CPAs has developed a back-up plan to support the Peer Review Coordinator if she becomes unable to serve in her designated capacity. Because the North Carolina Association of CPAs has numerous technical reviewers, there is adequate back-up in the event one or more technical reviewers become unable to fulfill their responsibilities.

Web Site and Other Media Information

Ms. Joseph and I met with the Peer Review Coordinator to review the administering entity's procedures to determine if the information disseminated regarding the Program by the administering entity on their web site and via other media is accurate and timely.

After the AICPA staff's review of the web site material and our review of other media information, we noted that the administering entity maintains and disseminates current information as it relates to the Program. In addition, the administering entity has an individual who is responsible for maintaining the web site and monitors the web site to ensure peer review information is accurate and timely.

Working Paper Retention

We reviewed the completed working papers for several reviews and found compliance with the working paper retention policies. We also reviewed the retention policies and procedures regarding reviewer feedback forms and noted that these forms are being retained for the appropriate period of time.

Technical Review Procedures and Review Presentation

On the afternoon of October 19, 2011, Ms. Joseph and I met with two of the North Carolina Association of CPAs' technical reviewers to discuss procedures. They are experienced reviewers and, along with nineteen (19) other technical reviewers, perform all technical reviews.

Ms. Joseph and I reviewed the reports, working papers, and, if applicable, letters of response for eighteen (18), or approximately 40%, of the reviews scheduled for consideration on October 20, 2011. As noted in the prior oversight, there appeared to be some review issues that could have been addressed and cleared by the technical reviewer prior to presentation to and consideration by the Report Acceptance Body ("RAB"). However, and also as noted in the prior oversight, the Committee has made a conscientious decision not to have the technical reviewer resolve these issues in order to obtain a better level of consistency on RAB decisions. This appears appropriate considering the number of technical reviewers that the North Carolina Association of CPAs currently utilizes. We did not note any significant delays in the acceptance and/or completion of reviews as a result of this process. It should further be noted that the Committee is moving in the direction of having its technical reviewers resolve more minor issues prior to RAB presentation.

Reviews are presented to the RABs by a Committee member who is not the technical reviewer. Feedback is issued to the technical reviewers when deemed appropriate by the RABs.

Committee and RAB Procedures

On October 19, 2011, Ms. Joseph and I met with the Committee chair and, along with other subjects, discussed their procedures for disseminating the comments resulting from the AICPA working paper oversights to the appropriate individuals. It was determined that the Committee issued reviewer feedback related to these comments when appropriate.

Ms. Joseph and I attended the full Committee meeting on October 20, 2011. Prior to its full meeting, the Committee divided into three (3) separate RABs to consider those reviews scheduled for consideration. We observed each RAB's acceptance process and offered our comments at the close of discussions.

The RAB meetings were very orderly and it was apparent that the RAB members had reviewed the reports and working papers thoroughly prior to the meeting and had a good understanding of the Program to reach an appropriate decision for each review.

Appropriate decisions were made in the acceptance process, appropriate follow-up actions were assigned, and reviewers were being appropriately monitored including the issuance of reviewer feedback when warranted. Reviews were being presented to the RABs on a timely basis.

Oversight Program

The Committee has adopted a formal oversight program that is well documented. We reviewed the document and procedures performed and found it to be comprehensive.

Summary

There are no further observations to be communicated to the North Carolina Association of CPAs.



J. Phillip Coley, Member, Oversight Task Force
AICPA Peer Review Program

AICPA Peer Review Program
NCACPA Peer Review Program
NCACPA Peer Review Program for Non-Members
Administered by the North Carolina Association of CPAs



December 16, 2011

Randy S. Watson, CPA
Chair
AICPA Peer Review Board
Oversight Task Force
Palladian I Corporate Center
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Oversight Visit to North Carolina Association of CPAs

Dear Mr. Watson:

This letter represents our response to the report and letter of procedures and observations issued in connection with the review of North Carolina's administration of the AICPA Peer Review Program on October 19-20, 2011. The oversight visit documents have been disseminated to all NCACPA Peer Review Committee members, administrative staff, and technical reviewers. We are pleased to note there were no specific deficiencies or observations included in the oversight documents on which a written response was required. This letter represents our acknowledgement of the oversight visit.

We appreciate the review Phill Coley and AICPA Technical Manager Lisa Joseph performed of our administration of the AICPA Peer Review Program.

Sincerely,

Daniel G. Hayes, CPA
Chair
NCACPA Peer Review Committee

cc: James T. Ahler, CAE, NCACPA CEO
Mary C. Kelly, NCACPA Peer Review Coordinator
Lisa Joseph, CPA, AICPA Technical Manager



North Carolina Association of CPAs

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National Association of State Boards of Accountancy

150 Fourth Avenue North • Suite 700 • Nashville, TN 37219-2417 • Tel 615.880-4200 • Fax 615.880-4200 • www.nasba.org

February 23, 2012

Dear Members of the 55 State Boards of Accountancy and
the respective Peer Review Oversight Committees:

Enclosed is the first annual monitoring report of the National Peer Review Committee (NPRC) of the American Institute of CPAs (AICPA) by the NASBA Compliance Assurance Committee (CAC).

In 2009, an agreement was reached between NASBA and the AICPA to provide a mechanism by which the operations of the NPRC could be monitored and reported on by the CAC. We are pleased to provide you with our first report.

For more information about the NPRC, refer to the NPRC website at <http://www.aicpa.org/INTERESTAREAS/PEERREVIEW/COMMUNITY/NATIONALPRC/Pages/NationalPeerReviewCommittee.aspx>. This site includes the 2010 Oversight Report, which was approved by the NPRC in September 2011.

I am happy to discuss this matter further with you. I can be reached at (405) 360-5533.

Sincerely,

A handwritten signature in black ink that reads "Janice L. Gray". The signature is written in a cursive, flowing style.

Janice Gray, CPA, CVA, CFF
Chair, NASBA Compliance Assurance Committee

NASBA Compliance Assurance Committee Report on the AICPA National Peer Review Committee

The American Institute of CPAs (AICPA) National Peer Review Committee (NPRC) administers peer reviews for (i) all firms who serve SEC issuer clients and, accordingly, are required to be registered with and inspected by the Public Company Accounting Oversight Board, and (ii) other firms who elect to have their peer review administered by the NPRC. The NPRC has firms that are located in every state. These are firms that provide audit services and assurance services. To provide transparency in the operations of the NPRC such that individual state boards of accountancy and their peer review oversight committees (PROCs) may rely on the effectiveness of the NPRC, NASBA and the AICPA developed a process by which the activities of the NPRC may be monitored and reports issued.

By agreement, two spots on the NPRC are designated to be filled by NASBA representatives. Currently two former state board members sit in these positions on the NPRC. The members are selected from a list of qualified individuals recommended by NASBA. The individuals serve on the NPRC as fully-participating members with full voting rights and the same responsibilities as other NPRC members.

Those NPRC members representing NASBA report periodically to NASBA's Compliance Assurance Committee (CAC) as to whether:

- The NPRC is complying with the AICPA *Standards for Performing and Reporting on Peer Reviews* (Standards) and other Guidance issued by the AICPA Peer Review Board and the NPRC;
- The NPRC has an appropriate oversight process in place for the reviews it administers and its peer reviewers;
- Results of the oversight process are transparent;
- Reviews are being conducted and reported upon in accordance with the Standards;
- Results of reviews are being evaluated on a consistent basis;
- The AICPA Peer Review Program is achieving its objectives based on the administration by the NPRC; and
- Comments, suggestions and other input from these two members are given full consideration as other such matters would be from any NPRC members.

Based on our discussions with our representatives on the NPRC, as well as reviewing the comprehensive oversight report prepared by the NPRC and the administrative oversight report issued by a third party, we are satisfied and can report that the NPRC has operated appropriately for the period of November 1, 2010 – October 31, 2011.

Janice L. Gray, CPA, CVA, CFF
Chair, NASBA Compliance Assurance Committee
February 25, 2012

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2007469

IN THE MATTER OF:
Geoffrey R. Chatham, #20958
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Geoffrey R. Chatham (hereinafter "Respondent") was the holder of North Carolina certificate number 20958 as a Certified Public Accountant ("Certificate"). In December of 2011, Respondent's request that his Certificate be placed on "Retired" status was granted by the Board.
2. In 2004, Respondent received at least two (2) criminal summonses for failure to file unemployment insurance tax forms. The charges were later dismissed.
3. Despite the aforementioned criminal summonses, when Respondent renewed his Certificate in June of 2004 and June of 2005, he failed to respond in the affirmative to the question: "Have you been charged, arrested ... or pleaded ... to any criminal offense, excluding criminal traffic infractions, since filing your last renewal?"
4. In 2004, Respondent was named in a civil complaint alleging Fraud, Breach of Fiduciary Duty, Embezzlement, Conversion, Unfair, and Deceptive Trade Acts, and Civil Conspiracy. Respondent settled this complaint with no admission of guilt.
5. Despite the aforementioned civil suit, when Respondent renewed his Certificate in June of 2004 and June of 2005, he failed to respond in the affirmative to the question: "Have you been party to a civil suit, bankruptcy action, administrative proceeding, or binding arbitration the basis of which is an allegation of negligence, dishonesty, fraud, misrepresentation, or incompetence, since filing your last renewal?"



6. Respondent never informed the Board of the 2004 civil suit and criminal summonses, and the Board only discovered those actions at a much later date from other sources. The late discovery of those actions has severely hampered the Board's ability to conduct its own investigation of the allegations. A failure to file unemployment taxes, in and of itself, has been held to be grounds for revocation in other matters. Similarly, the blatant conflict of interest and other allegations made in the 2004 civil suit, if investigated and proven at the time, could have led to discipline of Respondent's Certificate.
7. In 2007, Respondent was named in a civil complaint alleging Breach of Contract, Fraud, Breach of Fiduciary Duty, Embezzlement, Conversion, Unfair and Deceptive Trade Acts, and Civil Conspiracy. Respondent settled this complaint with no admission of guilt. However, Respondent did not comply with the terms of his settlement agreement.
8. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of 21 NCAC 08N .0201 and .0208.
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Geoffrey Chatham, is suspended for five (5) years from the date this Order is approved by the Board.



2. Respondent must return his suspended certificate to the Board with this signed Consent Order.
3. Respondent may apply for the reissuance of his certificate after five (5) years from the date the Board approves the Consent.
4. Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Forty (40) hours of CPE in the twelve (12) months preceding the application including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in a self-study or group study format.

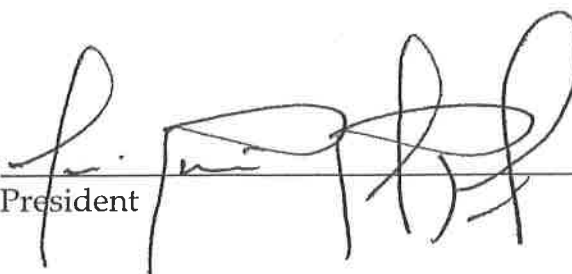
CONSENTED TO THIS THE 21ST DAY OF MARCH, 2012.


Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF APRIL, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2011165

IN THE MATTER OF:

Thomas W. McDevitt, #15009
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following Findings of Fact:

1. Thomas W. McDevitt (Respondent) is the holder of North Carolina certificate number 15009 as a Certified Public Accountant.
2. On or about August 23, 1984, Respondent signed an application to become a member of the North Carolina Local Government Employees' Retirement System (Retirement System). On the application, Respondent and his employer affirmed that Respondent's start date was August 15, 1984.
3. In an experience affidavit filed with the North Carolina State Board of CPA Examiners in November of 1984, and in numerous other documents, Respondent's employment start date was listed as August 15, 1984.
4. As a result of the North Carolina Supreme Court's decision in *Bailey v. State of North Carolina*, 348 N.C. 130, 500 S.E.2d 54 (1998), the Retirement System published the following information regarding the taxation of retirement benefits:

If you do not have five years of maintained retirement service credit as of August 12, 1989, you will be required to pay North Carolina income tax on the taxable portion of your retirement benefit.

"Your Retirement Benefits, Local Governmental Employees' Retirement System," pp. 21-22 (Jan. 2011, Dept. of State Treasurer, Raleigh).

5. In 2006, Respondent requested that his employer change his employment start date from August 15, 1984, to August 1, 1984, to reflect what Respondent maintained was his actual first day on the job. The Chairman of the Board of Directors of his employer concurred with the requested change of start date.



6. The Board has alleged that Respondent, by requesting that his employer change his employment date, sought to gain monetarily by avoiding taxes that he thought would otherwise be owed on his retirement benefit. However, as the *Bailey* decision was and continues to be interpreted by the State Treasurer, Respondent's future retirement benefits were not in fact subject to N.C. income tax regardless of when he started employment during the month of August, 1984. Respondent categorically denies the Board's allegations and maintains that he was well aware that the *Bailey* decision exempted his future retirement benefits from the N.C. income tax as far back as 2004, which was approximately two years prior to Respondent's request to correct his hire date. In 2004, Respondent researched the applicability of the *Bailey* decision in detail for a client who was also a member of the Retirement System. Respondent has provided an affidavit from the client corroborating Respondent's familiarity at that time with the *Bailey* decision and how it applied to his own employment. Respondent maintains that the request to his employer in 2006 was related to his concerns about the rapid changes affecting his employer required by the reform of the N.C. mental health system in 2006 and his expectation of future, additional changes to that system.
7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting. Respondent further understands that if this proposal is not accepted by the Board, neither Respondent nor the Board shall be bound by any term or condition contained herein.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code ("Board Rules"), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. If proven, Respondent's motivation and actions, as alleged by the Board, would constitute violations of 21 NCAC 08N .0201, .0202, .0203(b)(1) and .0206.


BASED on the foregoing and in lieu of discipline or further proceedings, the Board and Respondent agree to the following Order:

1. Respondent hereby voluntarily surrenders his certificate on a permanent basis.
2. Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this state either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner.



3. Respondent cannot avail himself of any the procedures set forth in subchapters 08I or 08J of the Board Rules in an effort to regain his surrendered certificate.

CONSENTED TO THIS THE 16 DAY OF March, 2012.


Respondent, Thomas McDevitt

APPROVED BY THE BOARD THIS THE 24 DAY OF APRIL, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 

President



NORTH CAROLINA
WAKECOUNTY

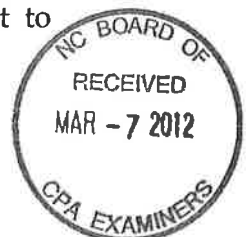
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2009221

IN THE MATTER OF:
Alyson M. Miller, #27754
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41, the Board and Respondent stipulate the following Findings:

1. Alyson M. Miller (hereinafter "Respondent") is the holder of North Carolina certificate number 27754 as a Certified Public Accountant.
2. Respondent was engaged to prepare a client's 2007 individual tax returns and filed an extension allowing the returns to be filed on or before October 15, 2008.
3. Respondent claims that she prepared the client's tax returns on October 15, 2008, and mailed the returns to the client to be filed.
4. When the client advised Respondent that the client had not received the completed returns on or before October 15, 2008, Respondent provided the client with copies of the completed returns along with envelopes metered with postage for the October 15, 2008, deadline.
5. The client subsequently filed a complaint with the Board regarding Respondent's failures to correct mistakes in the tax returns and to return client records.
6. Respondent failed to timely respond to Board inquiries regarding the client's complaint.
7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to



review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9) e and 21 NCAC 08N .0201, .0203, .0206, .0207, .0211, and .0212.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 08C, the Board and Respondent agree to the following Order:

1. Respondent's CPA certificate shall be suspended for one (1) year from the date this Order is approved by the Board.
2. Respondent's firm's registration shall be suspended for one (1) year from the date this Order is approved by the Board.
3. Prior to filing her application for the reissuance of her CPA certificate, Respondent must complete and provide verification of her completion of the North Carolina Accountancy Law-Ethics Principles and Professional Responsibilities course in group study format as offered by the North Carolina Association of Certified Public Accountants. Said course may not be used to meet Respondent's continuing professional education requirement needed for the reissuance of her CPA certificate.
4. Respondent may apply to return her certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. 3 moral character affidavits, and
 - d. 40 hours of CPE in the 12 months preceding the application.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty.



Consent Order - 3
Alyson Miller

6. Respondent shall reimburse the Board for its administrative costs incurred as a result of the Board's investigation of this matter.

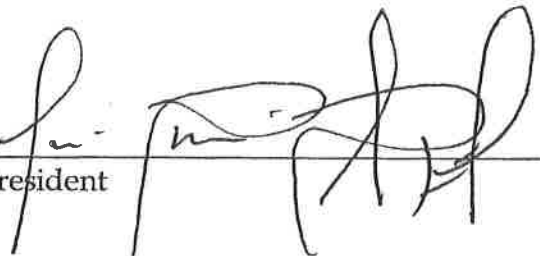
CONSENTED TO THIS THE 9th DAY OF December, 2011.


Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF April, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2011069

IN THE MATTER OF:
Michael Lieto, # 32810
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent was the holder of North Carolina certificate number 32810 as a Certified Public Accountant.
2. Respondent informed the Board on his 2009-2010 individual certificate renewal (renewal) that he had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2008 year's CPE requirement. Respondent chose not to renew his certificate for the 2010-2011 renewal period.
3. Based on Respondent's representation, the Board accepted his renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet his 2008 year's CPE requirement.
5. Respondent did not provide any CPE certificates of completion for 2008 as the Board requested.
6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

Consent Order - 2
Michael Lieto

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED on the foregoing and in lieu of further contested case proceedings, the Board and Respondent agree to the following:

1. By virtue of Respondent's failure to provide CPE documentation for 2008 and also due to his failure to renew his certificate for the 2010-2011 renewal period, Respondent's certificate is automatically forfeited pursuant to N.C. Gen. Stat. § 93-12(8b).
2. Respondent must return his certificate to the Board with this signed Consent Order.
3. Respondent may apply for the reissuance of his certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.
4. Respondent may apply to return his certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Eighty (80) hours of CPE in the twelve (12) months preceding the application. Forty (40) hours of those hours of CPE must be in a group-study format.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty, to be remitted to the Board prior to submitting any reissuance application.
6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of his license.

Consent Order - 3
Michael Lieto

CONSENTED TO THIS THE 16th DAY OF March, 2012.

Michael Lieto
Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF April, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2011073

IN THE MATTER OF:
Alison Monroe, # 24083
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Respondent was the holder of North Carolina certificate number 24083 as a Certified Public Accountant.
2. Respondent informed the Board on her 2009-2010 individual certificate renewal (renewal) that she had obtained forty (40) hours of continuing professional education (CPE), had completed an annual Board-approved North Carolina ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2008 year's CPE requirement. Respondent chose not to renew her certificate for the 2010-2011 renewal period.
3. Based on Respondent's representation, the Board accepted her renewal.
4. Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2008 year's CPE requirement.
5. Respondent did not provide any CPE certificates of completion for 2008 as the Board requested.
6. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of 21 NCAC 08J .0101(b), 08N .0202(a), .0202(b)(3), .0202(b)(4), and .0203(b)(1).

BASED on the foregoing and in lieu of further contested case proceedings, the Board and Respondent agree to the following:

1. By virtue of Respondent's failure to provide CPE documentation for 2008 and also due to her failure to renew her certificate for the 2010-2011 renewal period, Respondent's certificate is automatically forfeited pursuant to N.C. Gen. Stat. § 93-12(8b).
2. Respondent must return her certificate to the Board with this signed Consent Order.
3. Respondent may apply for the reissuance of her certificate after one (1) year from the date the Board approves the Consent Order if Respondent's certificate and the civil penalty required in number five (5) of this Order have been received by the Board.
4. Respondent may apply to return her certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Eighty (80) hours of CPE in the twelve (12) months preceding the application. Forty (40) hours of those hours of CPE must be in a group-study format, including the eight-hour Accountancy Law course conducted by the NCACPA.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty, to be remitted to the Board prior to submitting any reissuance application.
6. Respondent agrees that failure to timely comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of her license.



Consent Order - 3
Alison Monroe

CONSENTED TO THIS THE 1 DAY OF March, 2012.

Alison Monroe
Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF April, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President



NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2011181

IN THE MATTER OF:
Teresa L. Brennan, #34187
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following Findings:

1. Respondent is the holder of North Carolina certificate number 34187 as a Certified Public Accountant.
2. In June 2010, Respondent informed the Board on her 2010-2011 individual certificate renewal (renewal) that she had obtained forty (40) hours of continuing professional education (CPE), had completed the annual ethics CPE course, and had completed at least eight (8) hours of non-self-study CPE to meet the 2009 CPE requirement.
3. Prior to submitting her renewal, Respondent requested an extension to complete her 2009 CPE requirements in 2010 without penalty. The Board disapproved that request by letter dated April 27, 2010.
4. Based on Respondent's representation, the Board accepted her renewal.
5. In January 2011, Board staff requested that Respondent provide certificates of completion for the CPE reported to meet her 2009 CPE requirement.
6. Respondent provided the CPE certificates of completion to the Board as requested. Respondent acknowledged that she had only completed two (2) hours of CPE during the period between January 1, 2009, and June 30, 2010, which was inconsistent with her 2010-2011 renewal.
7. Respondent was first issued her certificate in 2009. Accordingly, the 2009 year was the first one in which Respondent was required to complete mandatory CPE requirements. Similarly, 2010-2011 was the first time that



Respondent had to report the mandatory CPE requirements to renew her certificate.

8. When Respondent received the Board's disapproval of her extension request in April 2010, the letter also included notification that she likely would be subject to a letter of warning for her failure to timely complete the 2009 CPE requirements. Because of her inexperience with mandatory CPE and the corresponding reporting requirement at renewal, Respondent mistakenly believed at the time that the letter of warning resolved her 2009 CPE credit deficit and that she was no longer required to complete those hours.
9. Upon receipt of the Board's letter that her 2009 and 2010 CPE credits were being audited, Respondent promptly contacted the Board, realized her inadvertent mistake on the renewal form, explained it to the Board representative and acknowledged that she had not completed the required CPE credits for 2009 during that initial conversation. Respondent also subsequently inquired and received confirmation from the Board that she could continue using her CPA designation during the pendency of the Board's audit of her CPE credits.
10. Respondent was not actively working or practicing as a certified public accountant in 2009 and 2010, including after her renewal in June 2010 through December 2010.
11. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. When submitting her 2010-2011 renewal, Respondent reasonably should have known that she was still required to complete the 2009 CPE requirements and the renewal related to those credits, notwithstanding the anticipated letter of



warning. By submitting this renewal, she violated 21 NCAC 08N.0202(b)(3) & (4), which prohibit, among other things, representations that the CPA should have known had the capacity to deceive in regard to maintaining certification or reporting CPE credits.

3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the discipline set forth below.


BASED on the foregoing and in lieu of further proceedings, the Board and Respondent agree to the following Order:

1. Respondent's application for renewal is deemed insufficient and untimely under N.C. Gen. Stat. § 150B-3(a). Hence, her certificate is automatically forfeited pursuant to N.C. Gen. Stat. § 93-12(8b).
2. Respondent must return her certificate to the Board with this signed Consent Order.
3. Respondent may not apply for the reissuance of her certificate for at least one year from the date the Board receives Respondent's forfeited certificate and until the civil penalty required in number five (5) of this Order has been paid by Respondent.
4. Respondent may apply to return her certificate to active status by submission and approval of a reinstatement application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Seventy-eight (78) hours of CPE in the twelve (12) months preceding the application, thirty-eight (38) hours of which must be in a group study format, including an eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs.
5. Respondent shall pay a one thousand dollar (\$1,000.00) civil penalty to be remitted to the Board within six (6) months of the date this signed Order is accepted by the Board.
6. Respondent agrees that failure to timely comply with any terms of this agreement and consent order shall be deemed sufficient grounds for revocation of her license.



Consent Order - 4
Teresa L. Brenan

CONSENTED TO THIS THE 7 DAY OF March, 2011/2.


Respondent

APPROVED BY THE BOARD THIS THE 21 DAY OF APRIL, 2011.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 
President



THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS

IN THE MATTER OF:
Paul S. Taylor, Case #UT2012071
Respondent

NOTICE OF APPARENT VIOLATION
AND DEMAND TO CEASE AND DESIST

TO THE ABOVE NAMED RESPONDENT:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners ("Board") is authorized by N.C. Gen. Stat. § 93-12 (16) to enforce the provisions of the North Carolina Certified Public Accountant Act ("Act") through actions for injunctive relief regarding "a single violation" of this Chapter; and,

WHEREAS, in March 2010, Respondent Paul S. Taylor ("Respondent Taylor") and his company Capital Advisory Group and Tax Planners of Lake Norman ("Capital Advisory Group"), were advised that they were in violation of N.C. Gen. Stat. § 93-4 by placing advertisements offering to provide tax returns that were "CPA prepared and signed."

WHEREAS, on March 23, 2010, Respondent Taylor, through his attorney, "agreed to discontinue the use of the phrase 'CPA prepared and signed,' and any reference to 'CPA'...."

WHEREAS, on or about March 16-22, 2012, Respondent Taylor placed an advertisement for Capital Advisory Group in *The Herald Weekly*, representing "Complete Income Tax Preparation, CPA Prepared, Only \$69...."

WHEREAS, Respondent Taylor has already agreed in prior correspondence to refrain from making the representations that are the subject matter of this demand and notice.

THEREFORE, Respondent Taylor is hereby notified and the North Carolina State Board of Certified Public Accountant Examiners demands that he immediately cease and desist from advertising "CPA prepared" tax returns or otherwise referencing CPAs in the advertising for Capital Advisory Group.

North Carolina State Board of Certified Public Accountant Examiners

BY:


Frank X. Trainor, III, Staff Attorney

DATE:

3-26-12



In lieu of civil proceedings authorized by N.C. Gen. Stat. § 93-12(16), the Board will accept Respondent's consent to this Demand.

Consented to:

BY: *Paul S. Taylor* DATE: 3.29.2012
PAUL S. TAYLOR

North Carolina State
Cabarrus County

Sworn to (or affirmed) and subscribed before me this day by Paul S. Taylor.

[I have personal knowledge of the identity of the principal(s)] [I have seen satisfactory evidence of the principal's identity, by a current state or federal identification with the principal's photograph in the form of a NC Drivers License] [a credible witness has sworn to the identity of the principal(s) Paul S. Taylor.]

Valeria Fossman

Notary Public Signature

NOTARY SEAL

Valeria Fossman

Notary Public Printed Name

March 29, 2012

Date

November 15, 2014
My Commission Expires



NORTH CAROLINA
WAKE COUNTY

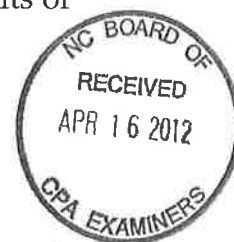
BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: 200609-072

IN THE MATTER OF:
Gerrelene M. Walker, #7714
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners (Board) at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat § 150B-41, the Board and Respondent stipulate the following Findings:

1. Gerrelene M. Walker (hereinafter "Respondent") is the holder of North Carolina certificate number 7714 as a Certified Public Accountant.
2. In April of 2010, the Board approved a Consent Order ("Order") with Respondent requiring her to obtain pre-issuance reviews, from a Board-approved reviewer, of all audits of government units and component units of government units until such time as the Board would determine that pre-issuance review is no longer necessary.
3. In a cover letter sent to Respondent with the approved Order, Board staff reminded Respondent that she must obtain pre-issuance reviews and that she must obtain Board approval of the pre-issuance reviewer.
4. In July of 2010, Respondent was informed, by a representative of the Local Government Commission (LGC) of the North Carolina State Treasurer's office, that the person indicated in Respondent's submissions to the LGC as Respondent's firm's pre-issuance reviewer had not, according to Board records, been approved by the Board to perform such reviews.
5. In October of 2010, Respondent contacted Board staff and was provided with a list of names for approved pre-issuance reviewers.
6. Ms. Walker presented, from October of 2010 through January of 2011, at least seven (7) June 30, 2010, audits to governmental units and component units of government units prior to obtaining a pre-issuance review.



7. The LGC issued "White Letter" findings on each of the seven (7) audits which indicated that Respondent issued audits with unqualified opinions that contained financial statements with material errors and inconsistencies that were not prepared in accordance with generally accepted accounting principles.
8. In December of 2010 and January of 2011, Board staff sent letters to Respondent regarding the status of her pre-issuance reviews.
9. Respondent responded in January of 2011, after the audits had been reviewed and perfected by the LGC, that she had engaged a pre-issuance reviewer and expected the reviews to be completed by the end of January 2011.
10. The pre-issuance reviewer's reports were provided to the LGC and to the Board at the end of January and the beginning of February of 2011.
11. In responding to questions from Board staff regarding her compliance with the April 2010 Order, Respondent stated that she thought, in making the changes as noted by the LGC in its "White Letters" and then having a pre-issuance review, she was complying with the terms of the Order.
12. Since Respondent had failed to obtain reviews prior to issuing the audit reports, Board staff advised Respondent as to the identity of the pre-issuance reviewer approved by the Board to prepare reviews for her firm prior to issuing the audits.
13. On January 12, 2012, Board staff received information from the LGC that Respondent had provided the LGC with a June 30, 2011, audit for the Town of Spring Hope without the required pre-issuance review.
14. On January 26, 2012, Respondent's pre-issuance reviewer emailed his review comments to Respondent regarding his review of the June 30, 2011, audit for the Town of Spring Hope. The pre-issuance reviewer copied Board staff on the email, including his review comments.
15. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

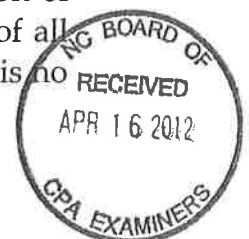


BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's repeated failures to comply with the Board's April 2010 Order are violations of 21 NCAC 08N .0203 (b)(3).
3. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of Respondent's consent to this order, Respondent is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Gerrelene Walker, is suspended for at least two (2) years from the date this Order is approved by the Board.
2. The firm registration for Respondent's CPA firm is hereby suspended.
3. Respondent must return her suspended certificate and firm registration to the Board with this signed Consent Order.
4. Respondent may apply for the reissuance of her certificate after two (2) years from the date the Board approves the Consent.
5. Respondent may apply to return her certificate to active status by submission and approval of a reissuance application which includes:
 - a. Application form,
 - b. Payment of the application fee,
 - c. Three (3) moral character affidavits, and
 - d. Forty (40) hours of CPE in the twelve (12) months preceding the application, including the eight (8) hour accountancy law course as offered by the North Carolina Association of CPAs in group-study format.
6. After the reissuance of Respondent's CPA certificate and the registration of her firm, Respondent shall be required to obtain pre-issuance reviews of all audits until such time as the Board determines that pre-issuance review is no



longer necessary. The pre-issuance reviewer shall be approved by the Board prior to performing said reviews. Respondent shall authorize and cause the pre-issuance reviewer to provide the Board with a copy of each pre-issuance review report upon its issuance.

7. Respondent shall reimburse the Board for its administrative costs incurred as a result of monitoring Respondent's compliance with the pre-issuance reviews as required in #6 above.
8. Respondent agrees that failure to comply with any terms of this agreement and Consent Order shall be deemed sufficient grounds for revocation of her license.

CONSENTED TO THIS THE 12th DAY OF April, 2012.

G. M. Walker
Respondent

APPROVED BY THE BOARD THIS THE 24 DAY OF April, 2012.

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President



THE NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC
ACCOUNTANT EXAMINERS

IN THE MATTER OF:
Roselie McDevitt
Respondent, UT2012080

NOTICE OF APPARENT VIOLATION
AND DEMAND TO CEASE AND DESIST

TO THE ABOVE NAMED RESPONDENT:

WHEREAS, the North Carolina State Board of Certified Public Accountant Examiners ("Board") is authorized by N.C. Gen. Stat. § 93-12 (16) to enforce the provisions of the North Carolina Certified Public Accountant Act through actions for injunctive relief regarding "a single violation" of this Chapter;

WHEREAS, pursuant to N.C. Gen. Stat. § 93-1, "A 'certified public accountant' is a person who holds a certificate as a certified public accountant issued under the provisions of this Chapter";

WHEREAS, pursuant to N.C. Gen. Stat. § 93-3, "It shall be unlawful for any person who has not received a certificate of qualification or not been granted a practice privilege under GS 93-10 admitting the person to practice as a certified public accountant to assume or use such a title, or to use any words, letters, abbreviations, symbols or other means of identification to indicate that the person using same has been admitted to practice as a certified public accountant";

WHEREAS, Respondent Roselie McDevitt (hereinafter "Respondent McDevitt") is not now, nor has she ever been, licensed as a certified public accountant in North Carolina or otherwise authorized by the Board to use the CPA title in this state;

WHEREAS, Respondent McDevitt is not actively licensed as a certified public accountant in any other known jurisdiction; and

WHEREAS, Respondent McDevitt, while living and working in North Carolina, has held herself out as a certified public accountant as evinced in a letter dated March 19, 2012, and signed by Respondent McDevitt as "Roselie McDevitt, Sc.D., CPA" and by the Mount Olive College website, which identifies her as a "Certified Public Accountant."





NORTH CAROLINA STATE BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS



RESOLUTION

***WHEREAS**, Michael C. Jordan, CPA, has served as a member of the North Carolina State Board of Certified Public Accountant Examiners since 2004;*

***WHEREAS**, during his tenure he served as President of the Board 2009-2010 and 2010-2011 and as Vice President of the Board 2008-2009;*

***WHEREAS**, during his tenure, he served on the Executive Committee 2009-2010 and 2010-2011; the Audit Committee 2011-2012; the Personnel Committee 2009-2010 and 2011-2012; and the Communications Committee 2009-2010 and 2010-2011;*

***WHEREAS**, during his tenure he served on the Professional Education and Applications Committee 2004-2005, 2005-2006, and 2011-2012;*

***WHEREAS**, during his tenure he served on the Professional Standards Committee 2006-2007, 2007-2008, and 2008-2009;*

***WHEREAS**, during his tenure he served on the Joint Task Force on Mobility;*

***WHEREAS**, during his tenure he has faithfully and tirelessly served as a leader in the profession and is an eloquent spokesman for the best interests of the public and the profession;*

***BE IT THEREFORE RESOLVED** that the members of the North Carolina State Board of Certified Public Accountant Examiners thank Michael C. Jordan, CPA, for his dedicated service, his personal sacrifice to serve the public interest, and his leadership to the Board.*

This the 24th day of April 2012.

*North Carolina State Board of
Certified Public Accountant Examiners*

Jose R. Rodriguez, CPA, President

Financial Highlights
For the Month Ended April 30, 2012
Compared to the Month Ended April 30, 2011

	Budget Var.	Apr-12	Apr-11	Inc. (Dec.)
Total Revenue	\$0.00	\$ 477,715.37	\$ 384,584.83	\$ 93,130.54
■ Total Operating Revenue	\$0.00	\$ 473,233.00	\$ 381,793.65	\$ 91,439.35
❖ Total Non Operating Revenue	\$0.00	\$ 4,482.37	\$ 2,791.18	\$ 1,691.19
○ Total Expenses	\$0.00	\$ 280,615.62	\$ 275,343.44	\$ 5,272.18
Increase(Dec.) Net Assets for Period		\$ 197,099.75	\$ 109,241.39	\$ 87,858.36
Total Checking and Savings		\$ 2,037,924.24	\$ 1,876,619.82	\$ 161,304.42
Total Assets		\$ 3,057,019.18	\$ 2,791,490.22	\$ 265,528.96
Full-Time/Part-time Employees		13/1	13/1	0/0

■ Total operating revenue increased this period compared to last by \$91,439 mainly because of an increase in certificate renewal fees.

❖ Total non operating revenue increased this period compared to last by \$1,691 due to an increase in rental income.

○ Total expenses were greater this period compared to last by \$5,272.

NC Board of CPA Examiners
Statement of Net Assets
 As of April 30, 2012

	<u>Apr 30, 12</u>	<u>Apr 30, 11</u>
ASSETS		
Current Assets		
Checking/Savings		
1023 · BB&T Disciplinary Clearing Acct	1,835.00	49.20
1020 · BB&T Checking Acct	203,777.88	151,119.85
1021 · BB&T Savings Account	113,644.47	12,694.48
1030 · BB&T Payroll Acct	100.00	100.00
1050 · Short-Term Certificates	1,716,607.81	1,709,472.72
1110 · Accrued CD Interest	1,959.08	3,183.57
Total Checking/Savings	<u>2,037,924.24</u>	<u>1,876,619.82</u>
Other Current Assets		
1125 · Accts Rec Civil Penalties	8,000.00	7,100.00
1120 · Accounts Receivable	981.71	1,331.71
Total Other Current Assets	<u>8,981.71</u>	<u>8,431.71</u>
Total Current Assets	<u>2,046,905.95</u>	<u>1,885,051.53</u>
Fixed Assets		
1300 · Building	917,143.10	782,127.07
1305 · Land	300,000.00	300,000.00
1306 · Vehicle	26,622.40	20,038.36
1310 · Furniture	113,764.45	113,918.90
1320 · Equipment	195,651.85	176,834.32
1325 · Data Base Software	183,888.74	180,336.18
1390 · Accumulated Depreciation	-726,957.31	-666,816.14
Total Fixed Assets	<u>1,010,113.23</u>	<u>906,438.69</u>
TOTAL ASSETS	<u>3,057,019.18</u>	<u>2,791,490.22</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	1,702.23	-22.01
Total Accounts Payable	<u>1,702.23</u>	<u>-22.01</u>
Other Current Liabilities		
2040 · Accounts Payable Civil Penalty	14,627.24	0.00
2005 · Due to Exam Vendors	510,258.72	506,666.20
Total Other Current Liabilities	<u>524,885.96</u>	<u>506,666.20</u>
Total Current Liabilities	<u>526,588.19</u>	<u>506,644.19</u>
Long Term Liabilities		
2020 · Accrued Vacation	77,458.20	75,306.63
Total Long Term Liabilities	<u>77,458.20</u>	<u>75,306.63</u>
Total Liabilities	<u>604,046.39</u>	<u>581,950.82</u>

05/04/12

NC Board of CPA Examiners
Statement of Net Assets
As of April 30, 2012

	Apr 30, 12	Apr 30, 11
Net Assets		
3010 · Net Assets Invest in Cap Assets	1,010,113.23	906,438.69
3020 · Designated for Capital Assets	300,000.00	300,000.00
3031 · Designated-Operating Expenses	300,000.00	300,000.00
3040 · Designated for Litigation	500,000.00	500,000.00
3900 · Net Assets Undesignated	145,759.81	93,859.32
Change in Net Assets	197,099.75	109,241.39
Total Net Assets	<u>2,452,972.79</u>	<u>2,209,539.40</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>3,057,019.18</u></u>	<u><u>2,791,490.22</u></u>

NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr 12	Apr 11
Ordinary Income/Expense		
Income		
Certificate Fees		
4110 · Certificates - Initial	3,300.00	3,000.00
4120 · Certificates - Reciprocal	1,300.00	500.00
4121 · Certificates - Recip/Temp	0.00	200.00
4140 · Certificates - Renewal Fees	290,700.00	169,660.00
4150 · Certificates - Reinst/Revoked	300.00	0.00
4151 · Certificates - Reinst/Surr	200.00	500.00
Total Certificate Fees	295,800.00	173,860.00
Exam Fee Revenue		
4001 · Initial Adm Fees	30,590.00	25,760.00
4002 · Re-Exam Adm Fees	12,375.00	20,400.00
4004 · Exam Fees Revenue	135,042.20	162,114.15
4071 · Exam Review Fees	0.00	200.00
4072 · Exam Scholarship Coupon	-973.20	-1,014.50
Total Exam Fee Revenue	177,034.00	207,459.65
Misc		
4970 · Duplicate Certificates	25.00	25.00
4990 · Miscellaneous	24.00	49.00
Total Misc	49.00	74.00
Professional Corporation Fees		
4250 · PC Registration Fees	350.00	400.00
Total Professional Corporation Fees	350.00	400.00
Total Income	473,233.00	381,793.65
Expense		
Fringe Benefits		
5031 · Retirement - NCLB Contribution	5,471.81	5,226.59
5033 · Retirement - NCLB Administr	180.06	275.00
5035 · Health Ins. Premiums	9,167.65	8,212.25
5036 · Medical Reim Plan	1,543.58	1,812.03
Total Fringe Benefits	16,363.10	15,525.87
Board Travel		
5120 · Board Travel - Board Meetings	1,885.25	1,315.32
5127 · Board Travel - NCACPA/Board	1,862.63	0.00
Total Board Travel	3,747.88	1,315.32
Building Expenses		
5801 · Electricity	742.99	827.25
5802 · Grounds Maintenance	208.36	100.00
5807 · Janitorial Maintenance	475.00	475.00
Total Building Expenses	1,426.35	1,402.25
Continuing Education -Staff		
5050 · Continuing Education - Staff	0.00	230.00
Total Continuing Education -Staff	0.00	230.00

NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr 12	Apr 11
Exam Sitting and Grading		
5538 · Exam Vendor Expense	135,594.70	162,314.15
Total Exam Sitting and Grading	135,594.70	162,314.15
Investigation & Hearing Costs		
5222 · Investigation Materials	316.00	300.95
5230 · Hearing Costs	0.00	200.00
5250 · Administrative Cost Assessed	0.00	-872.50
5260 · Civil Penalties Assessed	-1,500.00	-3,000.00
5261 · Civil Penalties Remitted	7,040.00	-9,975.00
Total Investigation & Hearing Costs	5,856.00	-13,346.55
Misc Personnel		
5034 · Misc. Payroll Deduction	0.00	0.00
5037 · HSA Deduction	77.00	-266.00
5090 · Flowers, Gifts, Etc.	0.00	55.03
5092 · Misc. Personnel Costs	0.00	7.35
Total Misc Personnel	77.00	-203.62
Office Expense		
5320 · Payroll Service	152.33	160.25
5360 · Telephone	370.70	542.02
5361 · Internet & Website	628.81	786.19
5410 · Dues	435.00	195.00
5445 · Banking Fees	0.00	257.73
5450 · Credit Card Fees	2,121.33	2,591.52
Total Office Expense	3,708.17	4,532.71
Per Diem - Board		
5110 · Per Diem - Board Meetings	1,000.00	650.00
5114 · Per Diem - NASBA Committees	0.00	400.00
Total Per Diem - Board	1,000.00	1,050.00
Postage		
5340 · Postage-Other	3,950.00	750.00
5341 · Postage - Newsletter	4,971.64	4,982.43
Total Postage	8,921.64	5,732.43
Printing		
5330 · Printing - Other	192.66	0.00
Total Printing	192.66	0.00
Repairs & Maintenance		
5381 · Maintenance - Copiers	165.05	273.32
Total Repairs & Maintenance	165.05	273.32
Salaries & Payroll Taxes		
5010 · Staff Salaries	90,946.78	84,443.52
5020 · Part-Time Staff Salaries	1,032.75	1,859.25
5030 · FICA Taxes	7,073.61	6,810.63
Total Salaries & Payroll Taxes	99,053.14	93,113.40

05/04/12

NC Board of CPA Examiners
Statement of Revenues & Expenses
 Year-to-Date Comparison

	Apr 12	Apr 11
Scholarships		
5535 · Scholarship	4,000.00	2,000.00
Total Scholarships	4,000.00	2,000.00
Staff Travel		
5060 · Staff Travel - Local	0.00	22.80
5061 · Staff Travel - Prof Mtgs	0.00	17.67
5072 · Staff Travel - NASBA Administr	8.00	0.00
5073 · Staff Travel - NASBA Committee	0.00	593.09
5078 · Staff Travel - Vehicle	178.90	0.00
Total Staff Travel	186.90	633.56
Supplies		
5350 · Supplies - Office	29.03	570.68
5352 · Supplies - Computer	294.00	199.92
Total Supplies	323.03	770.60
9999 · Suspense	0.00	0.00
Total Expense	280,615.62	275,343.44
Net Ordinary Income	192,617.38	106,450.21
Other Income/Expense		
Other Income		
Interest Income		
8510 · Interest Income - CDs	1,982.37	2,791.18
Total Interest Income	1,982.37	2,791.18
8200 · Rental Income	2,500.00	0.00
Total Other Income	4,482.37	2,791.18
Net Other Income	4,482.37	2,791.18
Change in Net Assets	197,099.75	109,241.39

NC State Board of CPA Examiners - CD Portfolio
As of April 30, 2012

Bank Name	Purchased	Amount	Rate	Maturity	Terms
Trust Atlantic Bank	1/29/2011	\$155,684	1.590%	7/29/2012	18 mos
Trust Atlantic Bank	2/26/2011	\$155,476	1.590%	8/26/2012	18 mos
Crescent State Bank	3/25/2011	\$103,815	1.840%	9/25/2012	18 mos
Crescent State Bank	10/29/2010	\$245,640	1.650%	10/29/2012	24 mos
MetLife Bank	3/28/2011	\$101,540	1.550%	4/4/2013	24 mos
Bank of NC	12/28/2011	\$240,693	1.170%	6/28/2013	18 mos
Harrington Bank	12/30/2011	\$247,934	1.150%	6/30/2013	18 mos
Capital Bank	12/13/2011	\$215,250	1.150%	12/13/2013	24 mos
Capital Bank	1/24/2012	\$250,576	1.150%	1/24/2014	24 mos
TOTAL		\$1,716,608			

OVERVIEW OF THE 2012-2013 PROPOSED BUDGET

Revenue Budget

- 2012-2013 examination fees are budgeted to be approximately equal to the actual 2011-2012 examination fees adjusted for the value of the annual amount of exam coupons offered.
- 2012-2013 certificate fees are budgeted to increase by \$23,800 (2.00%) over the 2011-2012 actual amount primarily due to the fact that the number of active CPAs increased during the 2011-2012 fiscal year which will positively impact the annual certificate renewals for 2012-2013.
- Examination fees (51.84%) and certificate fees (42.66%) represent (94.50%) of the total revenue budget for 2012-2013.
- The interest income budget for 2012-2013 is based on an assumed rate of 1.40%.

Personnel Expense

- 2012-2013 full-time staff salaries are budgeted \$95,289 (11.49%) above the 2011-2012 budget primarily due to the hiring of a new deputy director. The 2012-2013 budget includes a 2.90% cost of living increase. The budget for part-time staff salaries are budgeted to be approximately equal to the actual amount for 2011-2012.
- Actual expenses for health insurance in 2011-2012 were under budget by \$15,538 (10.97%) primarily because the medical reimbursement was under budget. The 2012-2013 health insurance budget reflects a \$27,785 (19.61%) increase over the 2011-2012 budget to fund an increase in health insurance premiums due to a rate increase of 15.6% and the cost of an additional staff member for a partial year.
- 2012-2013 staff travel is budgeted \$6,240 (14.84%) over the 2011-2012 budget due to projected increases in airfare and room cost due to locations of conferences and allows for an additional staff member.

Board & Legal Expense

- 2011-2012 actual Board travel was \$6,580 (15.27%) under the 2011-2012 budget due to fewer Board members traveling to NASBA conferences. Board travel budgeted for 2012-2013 allows for increases in mileage and hotel reimbursement for regular board mileage.
- 2011-2012 actual Board *per diem* was \$8,342 (42.56%) under the 2011-2012 budget due to fewer Board members traveling to NASBA conferences and requesting *per diem* payments. Per diem budget is calculated to allow for every Board to receive per diem if requested.
- 2011-2012 actual legal expenses were \$46,762 (54.37%) under the 2011-2012 budget because of an increase in the reimbursement of case administrative cost (including legal fees) and the hiring of a staff attorney. It is recommended that the 2012-2013 budget for legal expenses be set at \$24,000 due to the fact that our staff attorney will be handling most cases without assistance from Board legal counsel. Board legal counsel will be counsel to the Board at all Board meetings and at all public hearings and will assist with other matters on an as needed basis.

Office Expense

- Actual office expense for 2011-2012 was \$13,893 (4.60%) under the 2011-2012 budget primarily due to a decrease in postage usage and postage savings generated from changing newsletter mailing service vendors. The office expense budget recommended for 2012-2013 is less than 7% above the 2011-2012 Budget.

Examination Expense

- 2012-2013 exam sitting and grading fees are budgeted \$70,000 below the amount budgeted for exam fee revenue to allow for projected credits from exam "no shows" and expired Notices to Schedule.

Building Expense

- The proposed 2012-2013 budget for building expense is \$13,101 (22.24%) less than 2011-2012 budget to allow for a decrease in grounds maintenance cost.

NORTH CAROLINA STATE BOARD OF CPA EXAMINERS

2012-2013 PROPOSED OPERATING BUDGET

	2011-12 FISCAL YEAR BUDGET	2011-12 ESTIMATED ACTUAL	2012-13 PROPOSED BUDGET	REF.
REVENUES	<u>2,845,688</u>	<u>2,836,191</u>	<u>2,853,054</u>	A
EXPENSES				
PERSONNEL	1,149,809	1,129,397	1,292,764	B
BOARD & LEGAL	150,441	87,007	100,695	C
OFFICE	301,825	287,932	303,000	D
EXAMINATION	1,154,000	1,037,369	1,078,300	E
SCHOLARSHIP	10,000	6,000	10,000	
BUILDING	58,901	43,566	45,800	
LEASING COMMISSION	0	5,564	0	
MISCELLANEOUS	0	0	0	
OVER & SHORT	<u>0</u>	<u>-283</u>	<u>0</u>	F
TOTAL	<u>2,824,976</u>	<u>2,596,552</u>	<u>2,830,559</u>	
ESTIMATED CHANGE IN NET ASSETS	<u>20,712</u>	<u>239,639</u>	<u>22,495</u>	

2012-2013 PROPOSED CAPITAL BUDGET

	2011-12 FISCAL YEAR BUDGET	2011-12 ESTIMATED ACTUAL	2012-13 PROPOSED BUDGET
HARDWARE	11,300	18,818	3,000
SOFTWARE	0	3,552	2,000
TOTAL	<u>11,300</u>	<u>22,370</u>	<u>5,000</u>
TOTAL PROPOSED BUDGET	<u>2,836,276</u>	<u>2,618,922</u>	<u>2,835,559</u>

2012-2013 PROPOSED REVENUE BUDGET

A

	2011-12 FISCAL YEAR BUDGET	2011-12 ESTIMATED ACTUAL	2012-13 PROPOSED BUDGET
EXAMINATION FEES			
INITIAL ADMIN FEES	222,180	208,840	208,840
RE-EXAM ADMIN FEES	167,025	163,725	163,725
EXAM FEES REVENUE	1,221,000	1,139,985	1,147,000
EXAM COUPON	-46,667	-19,330	-41,941
EXAM REVIEW FEES	1,000	1,450	1,450
EQUIVALENCY EXAM FEES	0	0	0
GRADE TRANSFER FEES	150	0	0
	<u>1,564,688</u>	<u>1,494,670</u>	<u>1,479,074</u>
CERTIFICATE FEES			
INITIAL	56,000 (560/100)	54,300 ((543/100))	54,300 (543/100)
RECIPROCAL	23,000 (230/100)	24,000 ((240/100))	24,000 (240/100)
RENEWALS	1,080,000 (18000/60)	1,104,220 (18000/60)	1,128,000 (18800/60)
REINSTATEMENTS	16,000 (160/100)	10,780 ((108/100))	10,800 (108/100)
	<u>1,175,000</u>	<u>1,193,300</u>	<u>1,217,100</u>
FIRM REGISTRATIONS			
PARTNERSHIP INITIAL			
PARTNERSHIP RENEWAL	35,000	38,030	38,030
PC INITIAL	5,000	4,600	4,600
PC RENEWAL	34,000	34,900	34,000
PARTNERSHIP REGISTRATION	0	4,730	4,730
	<u>74,000</u>	<u>82,260</u>	<u>81,360</u>
JELLANEOUS INCOME	0	3,720	3,720
RENTAL INCOME	0	10,000	30,000
GAIN ON FIXED ASSETS	0	105	0
INTEREST	32,000	33,585	23,800
GIFT CARDS	0	18,551	18,000
OTHER			
	<u>2,845,688</u>	<u>2,836,191</u>	<u>2,853,054</u>

2012-2013 PROPOSED PERSONNEL EXPENSE

B

	<u>2011-12 FISCAL YEAR BUDGET</u>	<u>2011-12 ESTIMATED ACTUAL</u>	<u>2012-13 PROPOSED BUDGET</u>
FULL TIME STAFF	829,630	824,757	924,919
PART TIME STAFF	12,960	13,564	13,550
TAXES - FICA	64,458	61,861	71,792
RETIREMENT - CONTRIBUTIONS	49,778	49,646	55,495
RETIREMENT - NCLB ADMIN FEE	3,500	2,627	3,500
INSURANCE - HEALTH	141,693	126,155	169,478
STAFF CPE	2,750	1,850	2,750
STAFF TRAVEL	42,040	46,552 0	48,280
MISCELLANEOUS	<u>3,000</u>	<u>2,386</u>	<u>3,000</u>
	<u>1,149,809</u>	<u>1,129,397</u>	<u>1,292,764</u>

2012-2013 PROPOSED STAFF TRAVEL EXPENSE

	<u>MTGS.</u>	<u>STAFF</u>	<u>DAYS</u>	<u>RATE</u>	
NASBA MEETINGS					
ANNUAL	1	4	4	400/750/250/50	9,400
REGIONAL	1	3	3	695/230/50	5,505
ADMINISTRATORS/CPE	1	9	4	500/675/250/50	21,375
OTHER MEETINGS					
PROFESSIONAL					6,000
BOARD VEHICLE					<u>6,000</u>
TOTAL MEETING EXPENSE - B					<u>48,280</u>

2012-2013 PROPOSED BOARD & LEGAL EXPENSE

C

	2011-12 FISCAL YEAR BUDGET	2011-12 ESTIMATED ACTUAL	2012-13 PROPOSED BUDGET	REF.
BOARD TRAVEL	43,091	36,511	55,445	C1
PER DIEM	19,600	11,258	21,500	
CLERICAL REIMBURSEMENT	<u>1,750</u> 64,441	<u>0</u> 47,769	<u>1,750</u> 78,695	
LEGAL COUNSEL FEES - ADMIN	18,000	18,735	24,000	
LEGAL COUNSEL FEES-PROF. STAND/	60,000	39,075		
LEGAL COUNSEL FEES-LITIGATION	5,000	4,230		
INVESTIGATION COST	8,000	8,808	8,000	
HEARING COST	10,000	5,829	5,000	
REIMBURSEMENTS (NET)	<u>(15,000)</u> 86,000	<u>(37,439)</u> 39,238	<u>(15,000)</u> 22,000	
	<u>150,441</u>	<u>87,007</u>	<u>100,695</u>	

2012-2013 PROPOSED BOARD TRAVEL EXPENSE

C1

	<u>NO. MTGS.</u>	<u>BOARD MEMBERS</u>	<u>DAYS</u>	<u>RATE</u>	<u>AMOUNT</u>
REGULAR BOARD MEETINGS					
HOTEL	12	6	1	125	9,000
MEALS	12	6	1	40	2,880
TRAVEL	12	7			11,640
					<u>23,520</u>
NASBA ANNUAL MEETING					
HOTEL		7	4	250	7,000
MEALS		7	4	50	1,400
TRAVEL		7		400	2,800
REGISTRATION		7		750	5,250
					<u>16,450</u>
NASBA REGIONAL MEETING					
HOTEL		5	3	230	3,450
MEALS		5	3	50	750
TRAVEL		5		400	2,000
REGISTRATION		5		695	3,475
					<u>9,675</u>
AICPA COUNCIL MEETINGS					
HOTEL	2	2	3	300	3,600
MEALS	2	2	3	50	600
TRAVEL	2	2		400	1,600
					<u>5,800</u>
					<u>55,445</u>

2012-2013 PROPOSED PER DIEM EXPENSE

	<u>PER DIEM</u>	<u>BOARD MEMBERS</u>	<u>DAYS</u>	<u>AMOUNT</u>
REGULAR MEETINGS (12)	100	5	2	12,000
PROFESSIONAL MEETINGS	100			4,000
NASBA				
ANNUAL MEETING	100	7	5	3,500
REGIONAL	100	5	4	2,000
				<u>21,500</u>
TOTAL MEETINGS - C				<u>21,500</u>

2012-2013 PROPOSED OFFICE EXPENSE

D

	<u>2011-12 FISCAL YEAR BUDGET</u>	<u>2011-12 ESTIMATED ACTUAL</u>	<u>2012-13 PROPOSED BUDGET</u>
OFFICE DECORATIONS	100	1,503	100
EQUIPMENT RENT	800	869	800
PRINTING	45,000	54,315	55,000
POSTAGE	95,000	76,692	80,000
SUPPLIES	12,000	9,572	12,000
TELEPHONE	7,000	6,822	7,000
INTERNET & WEBSITE	18,000	14,903	15,000
SUBSCRIPTIONS	2,000	2,857	3,000
REPAIRS & MAINTENANCE	4,000	5,546	5,000
CLIPPING SERVICE	4,000	4,369	4,500
COMPUTER SOFTWARE MAINTENANCE	42,000	35,700	42,000
COMPUTER SOFTWARE	0	0	1,000
DUES	8,000	8,055	8,500
INSURANCE	9,000	9,288	9,500
MISCELLANEOUS	1,000	18	1,000
AUDIT FEES	7,125	7,125	7,400
CREDIT CARD FEES	42,000	43,297	44,000
BANKING FEES	3,000	4,144	4,200
PAYROLL SERVICE	1,800	1,752	1,800
CONSULTING FEES	<u>0</u>	<u>1,105</u>	<u>1,200</u>
	<u>301,825</u>	<u>287,932</u>	<u>303,000</u>

2012-2013 PROPOSED EXAMINATION EXPENSE

E

	<u>2011-12 FISCAL YEAR BUDGET</u>	<u>2011-12 ESTIMATED ACTUAL</u>	<u>2012-13 PROPOSED BUDGET</u>
EXAM SITTING & GRADING	1,150,000	1,036,110	1,077,000
POSTAGE	<u>4,000</u>	<u>1,259</u>	<u>1,300</u>
	<u>1,154,000</u>	<u>1,037,369</u>	<u>1,078,300</u>

2012-2013 PROPOSED BUILDING EXPENSE

F

	2011-12 FISCAL YEAR BUDGET	2011-12 ESTIMATED ACTUAL	2012-13 PROPOSED BUDGET
BUILDING MAINTENANCE	1,475	476	1,500
ELECTRICITY	12,000	5,142	12,000
GROUNDS MAINTENANCE	25,483	19,028	11,700
HEAT & AIR MAINTENANCE	5,343	5,749	5,800
IMPROVEMENTS	2,000	445	2,000
INSURANCE	3,500	3,482	3,500
JANITORIAL MAINTENANCE	6,000	5,716	6,000
TRASH COLLECTION	0	453	0
WATER & SEWER	1,100	909	1,100
SECURITY	1,800	2,040	2,000
PEST CONTROL	<u>200</u>	<u>126</u>	<u>200</u>
	<u>58,901</u>	<u>43,566</u>	<u>45,800</u>